

House File 2360 - Introduced

HOUSE FILE _____
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Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the biodiesel blended fuel tax credit for
2 retail dealers, and providing for retroactive applicability.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5988YH 82
5 da/nh/8

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1 1 Section 1. Section 422.11P, Code Supplement 2007, is
1 2 amended by adding the following new subsection:
1 3 NEW SUBSECTION. 1A. As used in this section, biodiesel
1 4 blended fuel is classified B=xx, where "xx" is the volume
1 5 percent of biodiesel in the biodiesel blended fuel, which
1 6 meets standards adopted in section 214A.2.
1 7 Sec. 2. Section 422.11P, subsections 2 and 3, Code
1 8 Supplement 2007, are amended to read as follows:
1 9 2. The taxes imposed under this division, less the credits
1 10 allowed under section 422.12, shall be reduced by the amount
1 11 of the biodiesel blended fuel tax credit for each tax year
1 12 that the taxpayer is eligible to claim a tax credit under this
1 13 subsection. For a taxpayer
1 14 a. In order to be eligible, to claim the tax credit, the
1 15 taxpayer must be a retail dealer, and all of the following
1 16 must apply:
1 17 (1) a. The taxpayer is a retail dealer who sells and
1 18 dispenses biodiesel blended fuel through a motor fuel pump in
1 19 the tax year in which the tax credit is claimed.
1 20 (2) b. Of the total gallons of diesel fuel that the retail
1 21 dealer sells and dispenses through all motor fuel pumps during
1 22 the retail dealer's tax year, fifty percent or more is
1 23 biodiesel blended fuel which meets the requirements of this
1 24 section.
1 25 (3) c. The retail dealer complies with requirements of the
1 26 department established to administer this section.
1 27 b. The tax credit shall apply to biodiesel blended fuel
1 28 formulated with a minimum percentage of two percent by volume
1 29 of biodiesel, if the formulation meets the standards provided
1 30 in section 214A.2.
1 31 3. The amount of the tax credit is three cents multiplied
1 32 calculated by multiplying a designated rate by the total
1 33 number of gallons of each class of biodiesel blended fuel sold
1 34 and dispensed by the retail dealer through all motor fuel
1 35 pumps operated by the retail dealer during the retail dealer's
2 1 tax year. The schedule of designated rates for each class of
2 2 biodiesel blended fuel is as follows:
2 3 a. Three cents for biodiesel blended fuel which is
2 4 classified as B=2 or higher, but is not as high as B=5.
2 5 b. Seven and one-half cents for biodiesel blended fuel
2 6 which is classified as B=5 or higher, but is not as high as
2 7 B=10.
2 8 c. Fifteen cents for biodiesel blended fuel which is
2 9 classified as B=10 or higher, but is not as high as B=20.
2 10 d. Thirty cents for biodiesel blended fuel which is
2 11 classified as B=20 or higher.
2 12 Sec. 3. RETROACTIVE APPLICABILITY DATE. Section 422.11P,
2 13 as amended in this Act, and section 422.33, subsection 11C, as
2 14 applied due to the enactment of this Act, shall apply,
2 15 retroactively to the tax year beginning on or after January 1,
2 16 2008.
2 17

EXPLANATION

2 18 This bill amends provisions relating to the biodiesel
2 19 blended fuel tax credit available to a retail dealer of diesel
2 20 fuel who sells 50 percent or more biodiesel blended fuel
2 21 during each tax year until the tax credit expires on January
2 22 1, 2012. Code section 422.11P provides the tax credit for
2 23 persons filing individual tax returns and Code section 422.33
2 24 provides the same tax credit to corporations.
2 25 Biodiesel blended fuel is classified according to the
2 26 percentage volume of biodiesel contained in a gallon of diesel
2 27 fuel (e.g., "B=2" equals 2 percent biodiesel). The tax credit
2 28 is based on the total number of gallons sold. The bill
2 29 replaces the rate of 3 cents for each gallon of B=2 or higher
2 30 sold, with a schedule which increases the rate depending upon
2 31 the class of biodiesel blended fuel sold (from 3 cents for B=2
2 32 to 30 cents for B=20 or higher).
2 33 The bill applies retroactively to the tax year beginning on
2 34 or after January 1, 2008.
2 35 LSB 5988YH 82
3 1 da/nh/8.1